



Department of Justice

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SARASOTA MAN

SENTENCED TO 28 YEARS IN FEDERAL PRISON

FOR TAX AVOIDANCE SCHEME

Tampa, Florida - U.S. Attorney A. Brian Albritton announces that Judge Steven D. Merryday today sentenced Carel A. Prater, a/k/a Chad Prater (71, of Sarasota), to 28 years in federal prison in connection with a tax avoidance scheme. The court also ordered Prater to pay \$440,000 in restitution to the Internal Revenue Service and a \$25,000 fine. Prater had been convicted following a jury trial of corrupt interference with the Internal Revenue Laws, aiding and assisting the filing of a false tax return, failure to file a tax return, criminal contempt, structuring transactions to avoid reporting requirements, and making false declarations before a grand jury.

According to evidence presented at trial, Prater engaged in a fraudulent scheme to interfere with the internal revenue laws by selling services that he claimed would legally remove his customers from the federal tax system. Prater advocated the position that income earned in the United States is generally not taxable, and, in exchange for fees, he prepared false tax returns and bogus tax documents on behalf of his customers that were submitted to the IRS and recorded in the public records. Prater also advised his customers to conceal assets and income from the IRS. Between 2000 and 2003, Prater's gross

receipts exceeded \$2 million.

In December 2002, a federal district court in the Middle District of Florida had enjoined Prater from promoting his anti-tax views and business. Prater violated that injunction and subsequent orders from the court by continuing to provide his false tax advice to customers and concealing revenue derived from his business. He also made false declarations to a grand jury investigating the matter when he voluntarily testified on October 1, 2008.

United States Attorney A. Brian Albritton stated: "The sentence imposed by the District Judge in this case reflects the seriousness of the crimes committed by the defendant. The Court's sentence serves as an important deterrent to others who may be inclined to violate the federal tax laws."

John A. DiCicco, Acting Assistant Attorney General of the Department of Justice Tax Division, said, "Sentences like this send a loud and clear message that illegal tax defiers will be investigated, prosecuted, and subjected to the full punishment of the law for their actions."

Linda J. Osuna, Special Agent in Charge of the Internal Revenue Service, Criminal Investigation, Tampa Field Office, said: "The object of these schemes is to defraud the government and the taxpaying public. The IRS-CI will vigorously investigate and prosecute those involved in these schemes."

The case was investigated by the Internal Revenue Service-CI, Tampa Division, and Federal Bureau of Investigation, Miami. It was prosecuted by Assistant United States Attorney Robert T. Monk and Department of Justice Trial Attorney Michelle M. Petersen.